



COLORADO

Department of Public
Health & Environment

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***** CDPHE-CACFP PROCEDURE MEMO CENTERS #15-19 ****

***** CDPHE-CACFP PROCEDURE MEMO FDCH #15-16 ****

***** CDPHE-CACFP PROCEDURE MEMO ADC #15-10 ****

DATE: July 9, 2015
MEMO CODE: CENTERS #15-19, FDCH #15-16, ADC #15-10
SUBJECT: Office of Management and Budget Super Circular
TO: All CACFP institutions

The Office of Management and Budget (OMB) published new requirements for Federal award programs titled, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, also known as the Super Circular, codified at 2 CFR Part 200. Previous OMB Circulars were combined into the new Super Circular, designed to streamline requirements and strengthen oversight of Federal funds to reduce risks of waste, fraud, and abuse.

The Super Circular applies to sub-recipients who receive Federal funds (i.e. institutions receiving meal reimbursement through the Child and Adult Care Food Program). The new rules apply to the Program year beginning October 1, 2015. Some key changes include:

Micro-Purchases

The Super Circular includes new allowed methods of procurement, which include micro-purchase methods for the acquisition of supplies and services under \$3,000. Micro-purchases do not require quotes; however, to the extent practical, purchases must be distributed equitably among qualified suppliers. Later this year, the CDPHE-CACFP will provide more information to all institutions regarding new procurement methods in a separate Procurement Manual.

Audit Requirements

According to the OMB Super Circular, the audit threshold is now \$750,000. All institutions who expend \$750,000 or more in federal funds (CACFP reimbursement in addition to other Federal programs) must receive a single or program-specific audit. This new threshold is effective for fiscal years beginning on or after December 24, 2014. For example, if an institution's fiscal year is January 1, 2015 to December 31, 2015, the new threshold of \$750,000 will apply to the year ending December 31, 2015. If an institution's fiscal year



is October 1, 2014 to September 30, 2015, the \$750,000 threshold will not apply until the institution's next fiscal year (October 1, 2015 to September 30, 2016).

Cost Principles

For costs to be allowable, the Super Circular requires institutions to meet general criteria. Costs must be necessary and reasonable for the performance of the Program. To assist in determining the allowability of costs, a tip sheet from the USDA - Food and Nutrition Services is enclosed titled, *Assessing Costs in the Child and Adult Care Food Program (CACFP)*.

The Super Circular can be found at the following link:

<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>.

Please contact the CDPHE-CACFP office at (303) 692-2456 with any questions.

